

2. San Clemente Securities, Inc. "San Clemente" (CRD 21895) is registered as a broker-dealer with the Division pursuant to the Act. San Clemente Securities, Inc. has been registered with the Division since August 20, 1993

3. San Clemente Securities, Inc. maintains its business address at 1031 Calle Recodo, Suite B, San Clemente, California 92673

4. In 1996, San Clemente opened a branch office at 42 Broadway, 19th Floor, New York, New York 10004.

5. Peter Liounis "Liounis" (CRD 2520335) was employed as an agent of San Clemente from approximately June 1996 through November 11, 1996. Liounis was registered as an agent with the Division pursuant to the Act from July 16, 1996 through November , 1996. During the period of his employment with San Clemente, Liounis maintained his business address at 42 Broadway, 19th Floor, New York, New York 10004

6. Oleg Feldman [aka Alex Feldman] "Feldman" (CRD 2478612) was employed as an agent of San Clemente from June 28, 1996 through October 31, 1996. Feldman was registered with the Division as an agent of San Clemente from August 7, 1996 through November 11, 1996. During the period of his employment with San Clemente, Feldman maintained his business address at 42 Broadway, 19th Floor, New York, New York 10004.

7. Shaun Douglas Neal "Neal" (CRD 2565240) was employed as an agent of San Clemente from June 28, 1996 through October 7, 1996. Neal was registered with the Division as an agent of San Clemente from July 16, 1996 through October 14, 1996. During the period of his employment with San Clemente, Neal maintained his business address at 42 Broadway, 19th Floor, New York, New York 10004.

8. On January 27, 1997, then Assistant Commissioner for the Securities Division, Kenneth T. McClellan, entered an Order of Investigation into the sales practices of San Clemente's New York office in relation to the stock of Sports Vision Technology, Inc.

9. San Clemente, through its agents Liounis, Feldman and Neal, sold shares of Sports Vision Technology, Inc. "SVTI" to approximately 17 Tennessee residents.

10. Were the Division to pursue the administrative proceeding currently pending against San Clemente on the basis of the results of the investigation performed pursuant to the order referenced in paragraph 8 of this Consent Order, evidence would be introduced to establish the following:

- (a) Liounis, Feldman and Neal sold securities that were neither registered with the Division nor exempt from registration;
- (b) Liounis, Feldman and Neal made untrue statements of material fact, and omitted necessary material facts, regarding the financial status of SVTI, potential risks associated with investment in SVTI, and the listing of the stock on the NASDAQ;
- (c) Liounis sold securities to Tennessee residents during a period of time in which he was not registered with the Division as an agent of San Clemente;
- (d) San Clemente failed to reasonably supervise Liounis, Feldman and Neal.

CONCLUSIONS OF LAW

1. Pursuant to Tennessee Code Annotated Section 48-2-115(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

12. Pursuant to Tennessee Code Annotated Section 48-2-112(a)(2)(B) the Commissioner, by order may deny, suspend, or revoke any registration under this part if the Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the registrant, or in the case of a broker-dealer, any officer, director,

or any person occupying a similar status or performing similar functions has willfully violated or willfully failed to comply with any provision, rule or Order under the Act.

13 T.C.A. §48-2-112(a)(2)(J) states, in pertinent part, that the Commissioner by order may deny, suspend, or revoke any registration under this part if he finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the Registrant has failed reasonably to supervise such person's agents if the person is a broker-dealer.

14. The averment in paragraph 7, section (a) of this Consent Order, if proven true, would constitute practices by San Clemente, through its agents, which would provide grounds under Tennessee Code Annotated Section 48-2-112(a)(2)(J) for the entry of an order of sanctions against San Clemente.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and San Clemente Securities, Inc.'s waiver of its right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tennessee Code Annotated §§4-5-101 et seq., and San Clemente Securities, Inc.'s admission of jurisdiction of the Commissioner, the Commissioner finds that San Clemente Securities, Inc., for the sole purpose of settling this matter and without admitting or denying the matters herein, has consented to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to Tennessee Code Annotated §48-2-116(a) of the Tennessee Securities Act that:

1 San Clemente Securities, Inc. shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder.

2. The broker-dealer registration of San Clemente Securities, Inc. is hereby placed on **PROBATION** for a period of **THREE YEARS** commencing on the date of entry of this order.

3. San Clemente Securities, Inc. shall provide, for review and comment by the Tennessee Securities Division, the unredacted annual audit results of all branch offices of the broker-dealer for a period of **THREE YEARS**. Any supervisory actions recommended by the Tennessee Securities Division based upon these audit results shall be implemented by San Clemente Securities, Inc.

4. San Clemente Securities, Inc. is hereby **ASSESSED** a civil penalty in the amount of Ten Thousand dollars. Said sum shall be due and paid in full within nine (9) months of the entry of this Order. Payment shall be mailed to

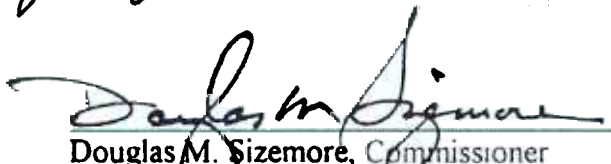
State of Tennessee
Department of Commerce and Insurance
Securities Division
Attention Broker-Dealer Registration Section
500 James Robertson Parkway, Suite 680
Nashville, Tennessee 37243

IT IS ORDERED that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Commissioner against San Clemente Securities, Inc for violations of the Act arising from the sale of Sports Vision Technology, Inc. stock in Tennessee by its agents Liounis, Feldman and Neal during the year of 1996.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, San Clemente Securities, Inc.


affirmatively states that it has freely agreed to the entry of this Consent Order, that it has been advised by the undersigned counsel of record in this matter, that it waives its right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this 1st day of July, 1998.

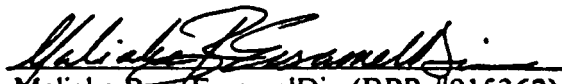

Douglas M. Sizemore, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY:

San Clemente Securities, Inc.


Cooke B. Christopher, President


Daphne D. Smith
Assistant Commissioner for Securities
Department of Commerce and Insurance


Maliaka Bass EssamelDin (BPR #015362)
Attorney for Petitioner
Tennessee Securities Division
Department of Commerce and Insurance
Sixth Floor, Tennessee Tower
312 Eighth Avenue North
Nashville, Tennessee 37243
(615) 741-5917

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served upon the person listed by delivering same or posting same in the United States Mail, Certified Mail, Return Receipt Requested: Cooke B. Christopher, President, San Clemente Securities, 1031 Calle Recodo, Suite B, San Clemente, California 92673.

This 2nd day of July, 1998.


Maliaka Bass EssamelDin

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served upon the person listed by delivering same or posting same in the United States Mail, Certified Mail, Return Receipt Requested: San Clemente Securities, Inc., 1031 Calle Recodo, Suite B, San Clemente, California 92673. The undersigned also certifies that this document has been filed with the Administrative Procedures Division of the Office of the Secretary of State, 17th Floor, James K. Polk Building, Nashville, Tennessee 37243.

This day of _____, 1998.

Maliaka Bass EssamelDin